

TOP SECRET

27 April 1959

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CENTRAL INTELLIGENCE BULLETIN



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LATE ITEM

***Communist China:** The naming of Liu Shao-chi as Mao Tse-tung's successor as chairman of the Chinese Communist government adds considerably to the prestige of the 61-year-old Liu. Although the government chairmanship is largely a ceremonial post, Liu's assumption of it underlines indications in recent years that Mao wishes to have Liu succeed him eventually as chairman of the Chinese Communist party. Liu ranks immediately behind Mao in the three most important party organs--the central committee, the politburo and the politburo standing committee.

Mao asked the party last December not to nominate him again for the post of government chairman, as he wished to concentrate on party work and theory. As of January, the regime was encouraging discussion of the candidacy of Chu Te, the 72-year-old vice chairman. Chu apparently asked that he be named instead to Liu's old position--chairman of the standing committee of the congress.

The two new vice chairmen of the government are comparatively unimportant figures. Tung Pi-wu is one of two surviving founders of the Chinese Communist party, Mao being the other. Soong Ching-ling is the widow of Sun Yat-sen, Chinese nationalist leader of the 1920's.

As of 0500 EDT, Peiping had not announced whether Chou En-lai would retain his post of premier. The premiership is much the most important government post, and has probably been the principal basis of Chou's influence in party councils. If the 60-year-old Chou unexpectedly were to lose this post, he might not be able to preserve his status as third-ranking party leader.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Foreign Ministry admits privately Khrushchev is ill; Soviet propaganda portrays him as well and active. ①

Soviet reply to US proposal for stopping atmospheric nuclear tests. ②

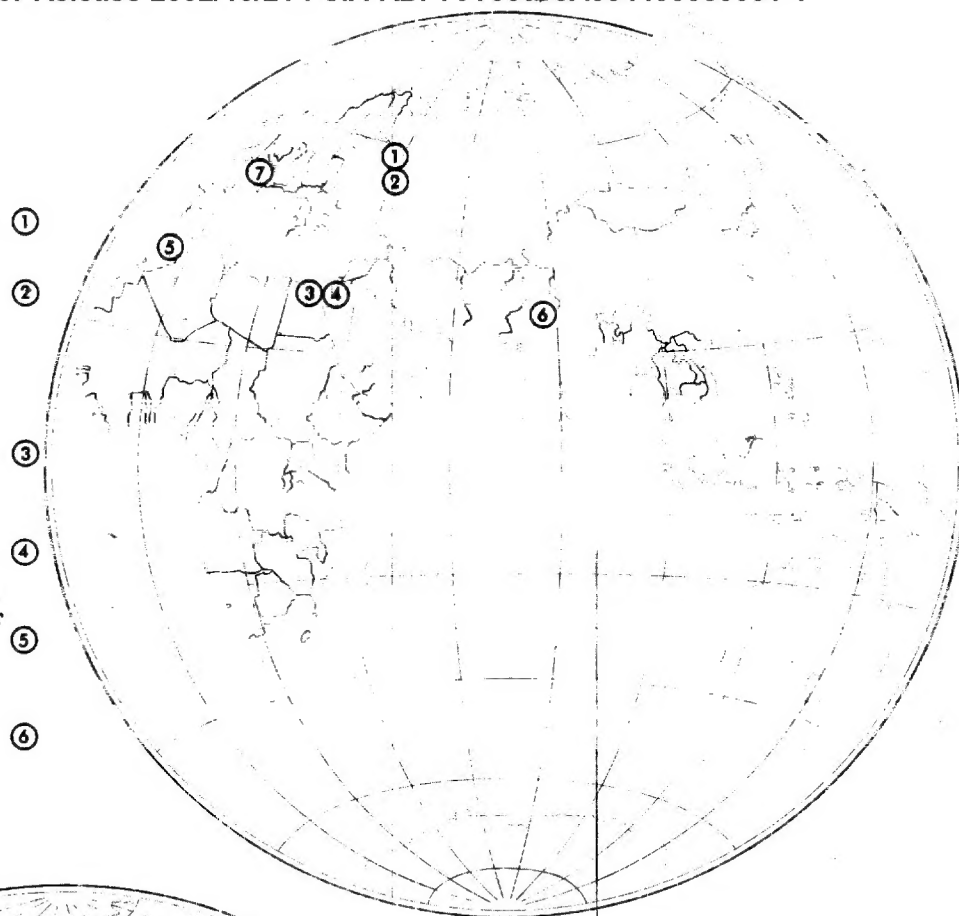
II. ASIA-AFRICA

Nasir modifies his anti-Communist tactics; equates Eastern Communism with Western imperialism. ③

UAR agrees to allow Israeli-chartered ships to go through Suez Canal for the time being. ④

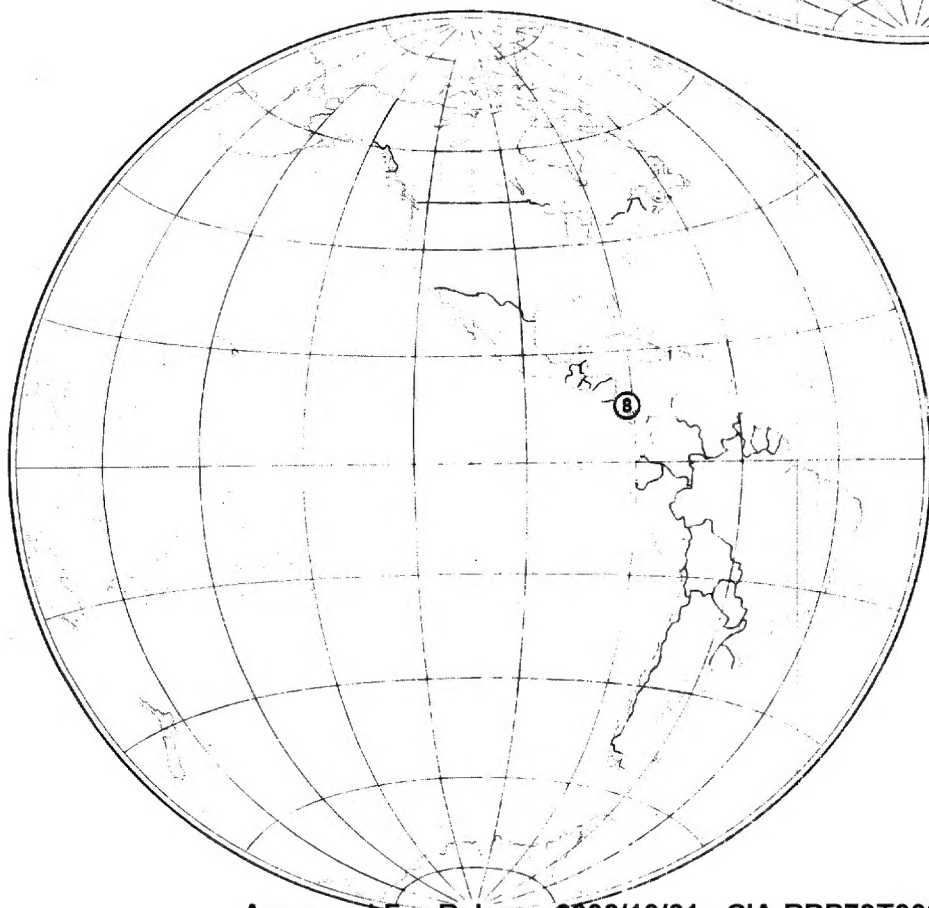
Morocco - Tension within ruling Istiqlal party heightened by expulsion of premier and labor dissension. ⑤

India requests American aid in developing what would be Asia's largest nuclear power program. ⑥

**III. THE WEST**

⑦ France considering action to intercept Polish ship believed carrying more bloc arms to Guinea.

⑧ Invasion force from Cuba lands in Panama.



CENTRAL INTELLIGENCE BULLETIN

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DAILY BRIEF

I. THE COMMUNIST BLOC

No
Khrushchev: The Soviet Foreign Affairs Ministry has admitted privately that Khrushchev is ill, but Soviet propaganda is attempting to show that he is well and active. Khrushchev has been on leave since about 25 March, shortly after returning from East Germany. He fainted at a reception in East Berlin on 10 March, and several observers reported that he looked ill during his visit to East Germany.

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USSR-Nuclear Tests: Khrushchev's reply to President Eisenhower's letter of 13 April reflects Moscow's concern that the new American proposal for the suspension of atmospheric tests had placed the USSR in a difficult position. The Soviet premier bluntly rejected this proposal as an "unfair deal" designed to mislead public opinion and countered with the standard Soviet demand for an unconditional ban on all tests. He sought to regain the initiative, however, by a formal note to Prime Minister Macmillan in which the Soviet leader endorsed the British suggestion for a predetermined number of annual on-site inspections of phenomena suspected of having been nuclear explosions. Soviet leaders probably hope to exploit any Western differences on this issue, and, by focusing attention on this proposal at the Geneva test talks, to avoid issues which might cast doubt on their professed desire for a settlement of the German and Berlin problems.

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II. ASIA-AFRICA

UAR: In his first two speeches since receiving Khrushchev's conciliatory letter on 20 April, President Nasir modified his tactics in attacking Communism. He balanced the threats from Western imperialism against those of Eastern Communism and said that either side would have to fight the UAR in order to include the Arab region in its sphere of influence. He omitted

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criticism of internal Soviet bloc matters, limiting his anti-Communist statements to the Communist danger in the Arab world, especially in Iraq. (Nasir and other UAR leaders feel that the Western powers have failed to give adequate support to the UAR's anti-Communist stand. They continue to believe that the British in particular are working against them.)

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UAR-Israel: UAR officials have reluctantly decided that outbound Israeli-chartered vessels will be allowed to proceed through the Suez Canal with cargoes intact, as long as the cargoes contain nothing that would endanger canal security. The UAR accepted this position in talks with UN Representative Bunche in order to avoid consideration in the UN Security Council. Despite this agreement, the UAR is likely to resume harassing tactics against Israel whenever it feels the need for doing so.

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Morocco: New political tensions have manifested themselves in the expulsion of Premier Ibrahim from the ruling Istiqlal party and in the widening split within Morocco's most influential labor federation. Allal el Fassi, head of the Istiqlal party, charged that government toleration of armed attacks on Fassi supporters was the reason for expelling Premier Ibrahim. Meanwhile, at the conference of the major Moroccan labor federation--backed by Ibrahim and the cabinet--members of autonomous unions supported by El Fassi created disorders which resulted in a number of casualties.

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India: The chairman of India's Atomic Energy Commission (AEC) has requested substantial American assistance in developing a nuclear power program comparable to the EURATOM program. The Indian AEC is seeking government approval of a goal of 1,000,000 kilowatts of nuclear power by the end of the Third Five-Year Plan (1961-66). India's atomic energy program, which is modest by Western standards, is the largest in Asia.

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III. THE WEST

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France-Guinea: The French Government is considering action to intercept a Polish ship suspected of carrying a third shipment of bloc arms to Guinea. The ship departed Lisbon on 16 April for Conakry and is expected to arrive in about a week. On 16 April another Polish ship unloaded at Conakry gifts of "antiquated arms," including three light tanks and four trucks, in addition to textiles, food, and agricultural machinery.

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*Panama: The Panamanian Government has requested US assistance to combat an armed invasion, presumably from Cuba. The invaders landed on 25 April in a remote jungle area east of the northern entrance to the canal. Panama's only armed force, the National Guard, is an urban police organization and is not considered capable of a successful campaign against guerrillas. The invasion could lead to a coup attempt by any of a number of divergent groups opposed to President de la Guardia. They all possess arms and could take advantage of the guard's preoccupation with the invasion to cause disorders.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

No Back-up Material

II. ASIA-AFRICA

UAR to Allow Israeli-chartered Ships Through Suez Canal

The UAR has made a concession in the dispute over Israeli Suez Canal traffic. In order to avoid UN Security Council consideration of the recent UAR seizures of cargoes from two Israeli-chartered neutral ships, Cairo officials now say Israeli-chartered ships outbound from Israel will be permitted to pass through the canal with cargoes intact under certain conditions--there must be nothing in the cargoes to endanger the canal's security, and the ship's manifests must show third-party ownership of the cargoes. UAR officials reluctantly made this decision after discussing the dispute with UN Under Secretary General Bunche.

The UAR considered the Israeli-chartered Capetan Manolis and Lealott to be, in effect, "enemy ships," but allowed them to transit the canal in March "out of deference" to their Liberian and West German flags. The cargoes they had loaded in Israel, however, were confiscated and are still in UAR possession, even though they are owned by countries other than Israel. In explaining why these seizures suddenly had been made, Cairo officials told Bunche they had only recently learned of Israeli chartering arrangements.

Neutral ships in the past have been allowed through the canal with cargoes of Israeli origin without questions concerning their charters. Since the seizures, another West German freighter chartered by an Israeli firm has transited the canal without interference, giving rise to Israeli fears the UAR policy may now be one of intermittent harassment.

(Israeli Ambassador Eban said early this month three more ships with Israeli cargoes are scheduled to pass through the canal soon; the first will arrive at Port Said in late April. It is not clear whether or not these ships will be under Israeli charter. Eban reiterated that if UN efforts to resolve the dispute failed, Israel would make a formal complaint to the UN Security Council.)

Political Tension Rising in Morocco

The expulsion of Premier Ibrahim from Istiqlal party membership by party leader Allal el Fassi and serious disorders in Casablanca between two rival labor groups have heightened considerably the danger of a new government crisis in Morocco.

The government of Premier Abdullah Ibrahim, installed last December as a stopgap measure following a prolonged cabinet crisis, has been under increasingly sharp attack by the Istiqlal party's right wing led by Allal el Fassi. Several highly charged issues, such as the control of organized labor, may make an early showdown inescapable. The prestige of the right wing will rest largely on its success in attracting the rank and file of organized labor from the leftist Moroccan Labor Union (UMT) into autonomous unions which seek official recognition.

El Fassi, who, along with right-wing supporters, controls the executive committee of the Istiqlal party, expelled Premier Ibrahim from party membership on 25 April. He charged Ibrahim with failing to control banditry and disorders after armed men killed Abdel Ben Driss, a supporter of El Fassi and member of the national consultative assembly. Last January El Fassi expelled Ben Barka, president of the consultative assembly, who has since set up virtually a new party, although retaining the name Istiqlal.

The intraparty struggle for control of labor erupted into violence on 24 April at the opening of the UMT's congress in Casablanca. At least 400 supporters of unions backing El Fassi clashed with police after storming the congress site. At least 20 persons were injured, and there may have been several deaths. The resort to violence suggests desperation on the part of the right-wing unions in the face of the unity shown by the UMT and members of the cabinet, including Ibrahim, who participated in the congress proceedings.

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India Requests US Assistance in Nuclear Power Development

(The chairman of India's Atomic Energy Commission (AEC) has requested American assistance in developing nuclear power stations, thus reversing India's past position against accepting American aid in nuclear energy matters. The AEC is seeking Indian Government approval of an extremely costly and ambitious program for 1,000,000 kilowatts of nuclear power by the end of the Third Five-Year Plan (1961-66) based on natural uranium reactors. Such a program would be considerably beyond the ability of India's scientific base to support and would require extensive use of Western scientists and technicians. The Indian Planning Commission has already approved a minimum goal of 250,000 kilowatts. It may approve the higher goal, since nuclear power costs compare favorably with conventional power costs in several important regions of India.)

(The AEC is seeking substantial assistance so that at least one of the nuclear power stations could be based on enriched uranium or plutonium which--in contrast to natural uranium--India does not produce. The AEC chairman proposed an agreement along the lines of the US-EURATOM agreement, and hopes that the United States will bear the foreign exchange costs for construction of the reactors.)

(In the past India has received most of its assistance from Commonwealth countries, and apparently viewed the US-sponsored Asian Regional Nuclear Center in the Philippines as a rival.)

(India's atomic energy program, which is modest by Western standards, is the largest in Asia and is based on an abundance of essential raw materials, including the world's largest known thorium deposits. One research reactor is in operation and two more are scheduled to begin operation by the end of 1959. The AEC also has a monazite processing plant, a plant for extracting uranium and thorium salts from monazite, and a uranium metal plant; a heavy water plant is to be completed by 1960. India has launched a substantial program to overcome its lack of scientists and technicians and is constructing a major research center near Bombay.)

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III. THE WEST

Panama Asks for US Help to Combat Invasion

25X1 The Panamanian Government has requested US assistance against an armed invasion in a remote jungle area east of the northern entrance to the canal. The invasion appears to be part of [redacted] plans of Roberto Arias, former ambassador to Britain, and Ruban Miro, implicated in the unsolved assassination of former President Remon, to oust President de la Guardia. They are believed to have recruited armed mercenaries in Cuba, although the Cuban Government assured De la Guardia it would not permit an expedition against him from its territory. Two of the invaders caught by the Panamanian National Guard were Cubans.

Participants in other recent abortive revolts in Panama appear to have been in contact with Arias, who is accused of landing arms near Panama City on 20 April. He has taken asylum in the Brazilian Embassy in Panama City and may be given safe conduct out of the country. Miro was reported still to be trying to raise money and support in Cuba and the United States on 25 April. The revolutionary activities of their supporters may encourage some of De la Guardia's numerous other opponents, most of whom possess arms, to revolt. Political tension is already high over the imminent choice of 1960 presidential candidates, and rival cliques within the oligarchy have in the past manipulated dissident groups to help them gain the presidency.

The guard, Panama's only armed force, has been De la Guardia's chief support against several previous attempts to oust him. [redacted]

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[redacted] The newly appointed minister of the interior can be expected to use the guard as effectively as possible, but it is primarily a poorly armed and trained urban police force which would be ineffective in jungle fighting.

25X1 Panama's ambassador in Washington has been instructed to be prepared to submit the matter to the Organization of American States. [redacted]

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